

## Message Text

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PAGE 01 STOCKH 03839 100801Z  
ACTION EUR-12

INFO OCT-01 EA-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-04 CEA-01 PRS-01 PA-02 L-03 /110 W  
-----044916 101024Z /16

R 091532Z SEP 77  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC 1646  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY HELSINKI  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY TOKYO

UNCLAS STOCKHOLM 3839

USEEC

USOECE

E.O. 11652: N/A  
TAGS: ETRD, JA, SW  
SUBJECT: SWEDISH TRADE TALKS WITH JAPAN

1. A SWEDISH TRADE DELEGATION HEADED BY COMMERCE UNDER SECRETARY JOHAN NORDENFALK CONCLUDED A FIVE-DAY VISIT TO JAPAN ON SEPTEMBER 8.
2. MINISTRY PRESS RELEASE SAID NORDENFALK HELD TALKS WITH JAPANESE OFFICIALS, BUSINESSMEN, AND SWEDISH AGENTS IN JAPAN.
3. NOTING THAT JAPAN HOPES TO MAINTAIN A SEVEN PERCENT ECONOMIC GROWTH LEVEL, NORDENFALK, ACCORDING TO PRESS RELEASE, SAID THAT THIS EXPANSION, COUPLED WITH FACT THAT "THE JAPANESE  
UNCLASSIFIED

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PAGE 02 STOCKH 03839 100801Z

SAID THEY UNDERSTAND THERE MUST BE IMPROVEMENT IN THE BALANCE OF JAPANESE-SWEDISH TRADE," CREATES SCOPE FOR CONSIDERABLE GROWTH OF SWEDISH EXPORTS TO JAPAN.

4. NORDENFALK CONTINUED: "WE ALL KNOW IT IS DIFFICULT TO SELL TO JAPAN. IT IS THEREFORE IMPORTANT BOTH THAT WE SHOULD EXERT OURSELVES MORE AND THAT WE CAN GET

THE JAPANESE TO HELP. WE HAVE SPENT A LARGE PART OF OUR TIME MAKING THE CONTACTS THAT WILL FIND THE RIGHT CHANNELS. THIS IS A LITTLE SOMETHING OF A NEW FORM OF CUSTOM-BUILT TRADE POLICY."

5. SWEDEN'S TRADE WITH JAPAN HAS TRADITIONALLY BEEN IN DEFICIT. FOLLOWING FIGURES (MILLIONS OF KRONOR) INDICATE EXTENT OF DEFICIT:

	SWEDISH IMPORTS FROM JAPAN	SWEDISH EXPORTS TO JAPAN
1975	2,089	643
1976	2,673	722
JAN-MAY 1976	871	299
JAN-MAY 1977	1,408	334

PRESS RELEASE NOTED THAT SWEDISH TALKS WITH JAPANESE HAD, NATURALLY, TOUCHED ON THIS IMBALANCE IN TRADE. THE RISK OF PROTECTIONISM INCREASES WHERE THERE IS SUCH TRADE IMBALANCE, PRESS RELEASE COMMENTED, AND CONTINUED TO SAY THAT THIS WOULD BE PARTICULARLY DANGEROUS IN THE NORDIC AREA, "WHICH, LIKE JAPAN, HAS OF NECESSITY BEEN TRADITIONALLY ANTI-PROTECTIONIST."

6. "CONSTRUCTIVE TALKS ABOUT HOW SWEDISH EXPORTS COULD GROW PROCEEDED FROM THIS STARTING-POINT," PRESS RELEASE SAID. A NUMBER OF SUBSTANTIVE PROJECTS HAD BEEN DIS-  
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PAGE 03 STOCKH 03839 100801Z

CUSSED AND LIST OF SOME 300 BUSINESS PROPOSITIONS DRAWN UP BY SWEDISH EXPORT COUNCIL AND INDUSTRY FEDERATION HAD BEEN HANDED OVER TO JAPANESE. THE JAPANESE PROMISED TO MAKE CAREFUL STUDY OF LIST, WHICH WILL BE FOLLOWED UP LATER BY VISIT AT UNSPECIFIED TIME OF FORMER DIRECTOR OF FEDERATION OF SWEDISH INDUSTRIES, AXEL IVEROTH.

7. PRESS RELEASE CONCLUDED WITH FOLLOWING RATHER UNUSUAL STATEMENT, BY NORDENFALK, FOR OFFICIAL COMMUNICATIONS OF THIS KIND: "UNFORTUNATELY, IN THE MORE CONFIDENTIAL TALKS WE HAVE HAD, IT HAS BECOME CLEAR THAT SWEDEN'S EARLIER EXCELLENT INDUSTRIAL REPUTE HAS IN MORE RECENT YEARS BECOME TARNISHED. IN THE PAST, WE STOOD FOR QUALITY AND BOLD ENDEAVOR: TODAY, WE ARE MOSTLY KNOWN FOR OUR HIGH ABSENTEEISM. IT IS DIFFICULT FOR THE JAPANESE TO UNDERSTAND THIS LACK OF NATIONAL DRIVE. IT HAS THEREFORE BEEN USEFUL FOR US TO BE ABLE TO SAY THAT WE ARE NOW TRYING TO ACHIEVE NATIONAL UNITY OF PURPOSE TO SET OUR ECONOMY TO RIGHTS AND THAT WE, IN THE FORTHCOMING BILL ON SMALL FIRMS, WILL BE MAKING EVERY EFFORT TO RESUSCITATE THE

BUSINESS SPIRIT THAT ONCE MADE SWEDEN SO SUCCESSFUL."  
PERRY

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## Message Attributes

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**TAGS:** ETRD, JA, SW  
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**Review Markings:**  
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